

# 'India Should Give Tax Concessions to Companies Which Set-Up Units in the Country'

— President, manufacturing business, Punj Lloyd Group, Ashok Wadhawan

***Punj Lloyd has a state-of-the-art facility in Gwalior. Tell us something about it.***

Punj Lloyd established a greenfield manufacturing facility on 65 acres of land at Malanpur, near Gwalior. The plant is designed to cater to the requirements of land systems for the Indian Army, aero structures and components for the Indian Air Force (IAF) and precision machined systems for the Indian Navy. It has a number of state-of-the-art, high precision large bed size machines that can do machining on both ferrous and non-ferrous material. The Group has a highly qualified team, dedicated and committed to establish the aerospace manufacturing business in India.

All necessary certifications to undertake aerospace work are in place. Punj Lloyd's ultimate commitment is to develop indigenous capability, which will contribute towards the country achieving self-reliance in the aerospace domain, based on the government's 'Make in India' initiative.

We started production in 2012 and have grown 10 times in the last year. We have been able to do some critical work for Hindustan Aeronautics Limited (HAL) and few global original equipment manufacturers (OEMs) for export, and have also been able to develop seven components for the Indigenous Howitzer (Dhanush) for Gun Carriage Factory.

***Two years ago, you had received AS 9100 certification. Post the certification, what aero structures have you manufactured, both for domestic and international customers?***

The AS 9100 C certification has helped us to align our processes and procedures to undertake aerospace related product manufacturing. We have already manufactured the Lower and Upper Tank Panel for Su30 Aircraft for HAL.

***What are your on-going programmes with HAL?***

Punj Lloyd's on-going programmes with HAL include lower and Upper Tank



Panel for Su30 Aircraft being developed at HAL Nasik; main Gear Box Assembly for ALH at HAL Bangalore and Combustion Chamber Mig 27 at HAL Koraput.

***Tell us about your plans in the MTA programme. Has HAL delegated work for Punj Lloyd already?***

Punj Lloyd has created capability and its modern aerospace manufacturing certified plant at Gwalior can undertake precision manufacturing of large components. The MTA programme is still at a nascent stage and Punj Lloyd, by virtue of its capability, remains a preferred partner of HAL.

***What opportunities are you currently looking at for Avro replacement programme? Do you have any prior partnerships with Tata or Airbus?***

The Avro programme has been shelved for the time being and we are monitoring it.

***What challenges do you see, as an In-***

***dian company, in the government's focus on 'Make in India' initiatives? How could the government make the path easier for Indian companies with existing manufacturing capabilities?***

Every new initiative presents a fresh set of challenges. For a healthy business environment, the administrative machinery must be efficient and a hassle-free clearance mechanism must be established in the country. India should give tax concessions to companies which set-up units in the country. The country has to be better prepared and motivated to conduct world class R&D, ensuring that it provides a platform for such research and development activities for the country to become a world-class manufacturing hub.

***The BMS and TCS programmes have also not come through. What do you think are the reasons for the delay? Do you expect these programmes to happen anytime soon?***

The new make policy is under review by the MoD and there are changes being proposed. Both BMS and TCS will see a traction post the new make policy comes into place.

***Tell us about the offset programmes that you are doing for the international players.***

We have signed a number of Memorandums of Understanding (MoUs) and Non-Disclosure Agreements (NDAs) which cannot be shared due to client confidentiality clauses.

***What are the updates on the Indian Army programmes that you are currently a part of?***

Punj Lloyd is part of the Zu 23 Upgrade programme which is likely to see a closure soon. For the 130 mm Upgunning project, the gun has been collected by us and is currently under modification at our facility at Gwalior. Technical evaluation for the self-propelled air defence gun missile programme is ongoing. We have received a Request for Proposal (RFP) for Light Armoured Vehicle (LAV). ||